

# Principal Dividend Yield Fund

An open-ended equity scheme predominantly investing in dividend yielding stocks



November, 2020

## Fund Manager's View



**Ravi Gopalakrishnan**

Total work experience of 26 years. Managing this scheme since October, 2019

### Top Sector Holdings

- The fund portfolio is diversified across 13 sectors with the highest allocation to Consumer Goods, Oil & Gas and IT.
- Consumer Goods despite being the largest sector in the fund is underweight the benchmark. Within the sector, the portfolio is overweight in the Consumer Durables industry and underweight in Consumer Non Durables industry. The portfolio is predominantly invested in large cap companies in the Consumer Non Durables.
- Banks & Financial Services is among the larger allocations in the fund as also overweight vis-à-vis the benchmark. However, within this sector, the portfolio is invested predominantly in larger private sector banks and high quality NBFCs. The fund avoids a lot of the companies in the benchmark.

### Relative sectoral allocation:

- Apart from Banks & Financial Services, Chemicals and Cements & Cements Products are the top overweight sectors in the portfolio. Both these sectors have no allocation in the benchmark.
- The de-risking of supply chains from China is expected to benefit the Specialty Chemical sector in India.
- Higher exposure to Cement and Cement Products is based on our expectation that the demand for building materials may revive especially due to the revival in rural consumption and housing demand.
- The other sectors where the portfolio is underweight are IT and Power.
- In the IT sector, we believe that H1FY21 would be significantly impacted due to clients reducing spends especially on the discretionary side of the business.
- Slower than expected take off in the Power sector may affect the demand in short to medium term hence, we maintained underweight.

## Fund Positioning



- A predominantly large cap oriented portfolio.
- Monitored closely for any divergence in the fundamentals of the underlying businesses.
- Adequate diversification across 25-30 industries.
- High beta portfolio for risk bearing investors.
- Invests in stocks and sectors that are likely to benefit from the Government of India's focused developments.

*Disclaimer: The investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document of the scheme.*



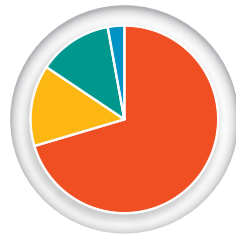
## Top 3 Industry



as on October 31, 2020



## Marketcap Breakup



Large Cap	70.42
Mid Cap	13.98
Small Cap	12.76
Cash & Other Assets	2.84

as on October 31, 2020

## Key Statistics

Standard Deviation <sup>^</sup> (Annualised)	18.39%
Beta <sup>^</sup>	1.06
Sharpe Ratio <sup>^</sup> (Annualised)	0.02
Portfolio Turnover Ratio <sup>**</sup>	0.13

**Note:** <sup>^</sup> The above measures have been calculated by taking rolling returns for a 3 year period with 3.48% risk free rate of return (1 days - MIBOR Rate as on October 29, 2020).

<sup>\*\*</sup> The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

(as on October 31, 2020).

## Top 10 Stocks

1	Tata Consultancy Services Ltd.	6	ITC Ltd.
2	Reliance Industries Ltd.	7	ICICI Bank Ltd.
3	Infosys Ltd.	8	HDFC Bank Ltd.
4	Hindustan Unilever Ltd.	9	Navin Fluorine International Ltd.
5	Ultratech Cement Ltd.	10	Bajaj Auto Ltd.

as on October 31, 2020

## Fund Details

**Plans:** Regular Plan & Direct Plan **Options:** Both the Plans offer Growth & Half Yearly Dividend Option. Half Yearly Dividend Option and Aer both the Plans offers facility of Payout, Reinvestment and Sweep.

**Minimum Investment Amount:** New Investor: ₹5,000 | Existing Investor: ₹1,000

**Exit Load:** ● If redeemed/ switched on or before 365 days from the date of allotment: ▶ Nil for redemption/ switch out of units upto 24% of the units allotted (the limit) ▶ 1% on redemption in excess of 24% of the limit stated above- Redemption of units would be done on First in First out Basis (FIFO) ● Nil thereafter (w.e.f. March 31, 2020)

SIP/STP/RWP-Available

## Performance (as on October 30, 2020)

Period	Principal Dividend Yield Fund		Nifty Dividend Opportunities 50 - TRI (Scheme's Benchmark)		Nifty 50 - TRI (Additional Benchmark)	
	Returns (%)	<sup>§</sup> PTP Returns	Returns (%)	<sup>§</sup> PTP Returns	Returns (%)	<sup>§</sup> PTP Returns
1 Year (31-10-2019 to 30-10-2020)	2.68	10267.77	-5.77	9423.18	-0.98	9902.13
3 Years (31-10-2017 to 30-10-2020)	2.17	10665.64	0.58	10174.48	5.37	11697.98
5 Years (30-10-2015 to 30-10-2020)	9.95	16074.01	7.97	14679.49	8.98	15378.10
Since Inception (15-10-2004 to 30-10-2020)	11.28	55600.00	NA	NA	13.78	79426.35

Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan - Growth option. **Past performance may or may not be sustained in future.** Returns (in %) are calculated on Compounded Annualised Basis (CAGR). <sup>§</sup> PTP (Point to Point) Returns are based on standard investment of ₹10,000/- made at the beginning of relevant period. Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable.

## Annexure of returns for all schemes managed by Ravi Gopalakrishnan

	1 Year return (%)		3 Years returns (%)		5 Years returns (%)	
	Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
<b>PRINCIPAL Small Cap Fund</b> Benchmark - Nifty SmallCap 100 Index Managing since - May 2019	17.21	12.25	NA	NA	NA	NA
<b>PRINCIPAL Balanced Advantage Fund<sup>†3</sup></b> Benchmark - 50% Nifty 100 Index - TRI + 35% CRISIL Short Term Bond Index + 15% Nifty Arbitrage Index Managing since - July 2019 (Equity Portion)	5.33	4.23	3.55	6.43	5.37	8.60
<b>PRINCIPAL Emerging Bluechip Fund</b> Benchmark - Nifty Large Midcap 250 Index- TRI Managing since - October 2019	4.24	2.22	0.42	2.13	10.14	9.13
<b>PRINCIPAL Retirement Savings Funds - Moderate Plan<sup>5</sup></b> Benchmark - CRISIL Hybrid 35 + 65 - Aggressive Index** (Managing since - July 2019)	2.54	5.60	1.96	6.40	NA	NA
<b>PRINCIPAL Retirement Savings Funds - Conservative Plan<sup>6</sup></b> Benchmark - 30% Nifty 50- TRI + 70% CRISIL Liquid Fund Index (Managing since - July 2019)	1.56	4.40	2.01	6.72	NA	NA
<b>PRINCIPAL Retirement Savings Funds - Progressive Plan<sup>4</sup></b> Benchmark - Nifty 200 Full Marketcap Index - TRI (Managing since - July 2019)	-1.22	-0.99	0.03	3.42	NA	NA
<b>PRINCIPAL Hybrid Equity Fund<sup>†7</sup></b> Benchmark - CRISIL Hybrid 35+65 Aggressive Index** Managing since - July 2019 (Equity Portion)	1.72	5.60	0.93	6.40	8.77	9.56
<b>PRINCIPAL Focused Multicap Fund<sup>1</sup></b> Benchmark - S&P BSE 250 Large Midcap Index - TRI Managing since - October 2019	1.46	-0.04	3.83	3.80	8.14	9.06
<b>PRINCIPAL Multicap Growth Fund<sup>2o</sup></b> Benchmark - Nifty 500 Index - TRI Managing since - July 2019	-0.36	-0.12	-1.45	2.73	8.01	8.54

**Past performance may or may not be sustained in future.** Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan - Growth option. Returns (in %) are calculated on Compounded Annualised Basis (CAGR). Mr. Ravi Gopalakrishnan also manages Principal Focused Multicap Fund & Principal Dividend Yield Fund (w.e.f. October 2019).

Mr. Ravi Gopalakrishnan also manages Principal Balanced Advantage Fund (Equity Portion), Principal Hybrid Equity Fund - Equity Portion, Principal Multicap Growth Fund, Principal Retirement Savings Fund (Conservative Plan-Progressive Plan-Moderate Plan) and Principal Small Cap Fund (w.e.f. July, 2019).

Mr. Ravi Gopalakrishnan also manages Principal Focused Multicap Fund, Principal Dividend Yield Fund, Principal Emerging Bluechip Fund (w.e.f. October 2019).

<sup>†</sup>Ms. Bekxy Kuriakose manages Principal Balanced Advantage Fund - Debt Portion (w.e.f. January 2018).

Mr. Ravi Gopalakrishnan manage Principal Hybrid Equity Fund - Equity Portion, Mr. Bekxy Kuriakose - Debt Portion and Mr. Ashish Aggrawal - Associate Fund Manager (w.e.f. October 2019).

<sup>†</sup>Ms. Bekxy Kuriakose manages Principal Hybrid Equity Fund - Debt Portion (w.e.f. March 2016). \*\* The equity component of CRISIL Hybrid 35+65 - Aggressive Index is represented by total returns variant of S&P BSE 200.

Mr. Ravi Gopalakrishnan & Mr. Sudhir Kedia manages Principal Midcap Fund (w.e.f. December 2019)

<sup>1</sup> Formerly known as Principal Large Cap Fund (w.e.f. May 10, 2018), <sup>2</sup> Formerly known as Principal Growth Fund (w.e.f. April 23, 2018), <sup>3</sup> Formerly known as Principal SMART Equity Fund (w.e.f. June 04, 2018) & <sup>4</sup> Formerly known as Principal Asset Allocation Fund of Funds: Aggressive Plan (w.e.f. June 11, 2018), <sup>5</sup> Principal Asset Allocation Fund of Funds: Moderate Plan (w.e.f. June 11, 2018) & <sup>6</sup> Principal Asset Allocation Fund of Funds: Conservative Plan (w.e.f. June 11, 2018), <sup>7</sup> Formerly known as Principal Balanced Fund (w.e.f. June 11, 2018).

<sup>o</sup>Mr. Siddarth Mohta has been appointed as a Associate Fund Manager of Principal Multi Cap Growth Fund (w.e.f. August 2018) and Principal Small Cap Fund (w.e.f. May, 2019). 5 years performance of Principal Retirement Savings Fund - Progressive, Moderate & Conservative Plan is not given as the scheme have not been in existence for 5 years.

**Note:** Performance of Principal Midcap Fund are not given as the schemes has not completed 1 year.

as on October 31, 2020

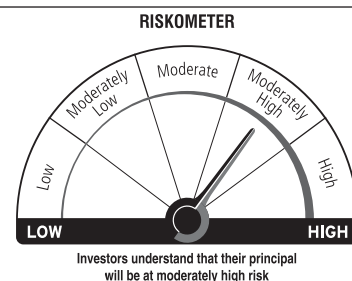
### Principal Dividend Yield Fund:

(An open ended equity scheme predominantly investing in dividend yielding stocks)

**This product is suitable for investors who are seeking ~**

- Long term Capital Growth.
- Investment in equity & equity related securities including equity derivatives of high dividend yield Companies.

~ Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**